

2022 Regular Session

SENATE BILL NO. 367

BY SENATOR HENRY

REAL ESTATE. Provides relative to the Louisiana Real Estate Appraisers Board. (gov sig)

1 AN ACT  
2 To amend and reenact the introductory paragraph of R.S. 37:3392, 3392(8) and (12) through  
3 (14), 3393(A) through (E), (G), the introductory paragraph of 3393(I), 3393(J)  
4 through (L), 3394(B)(1)(b) and (c) and (B)(2), 3395(A)(1), (2), (4), (C) and (D),  
5 3396(A), 3397, 3398(A), 3405, 3408(A), (B), the introductory paragraph of 3408(D),  
6 and 3408(F), the introductory paragraph of 3409(A), 3409(A)(6), (B)(2) and (3),  
7 (C)(2), (D), the introductory paragraph of 3409(E) and 3409(F), 3410, and 3411, to  
8 enact R.S. 37:3392 (15) through (27) and 3399, and to repeal R.S. 37:3392(11) and  
9 3397.1, relative to the Louisiana Real Estate Appraisers Board; to provide for  
10 definitions; to provide relative to real estate appraisers; to provide relative to real  
11 estate appraisers board; and to provide for related matters.

12 Be it enacted by the Legislature of Louisiana:

13 Section 1. The introductory paragraph of R.S. 37:3392, 3392(8) and (12) through  
14 (14), 3393(A) through (E), (G), the introductory paragraph of 3393(I), 3393(J) through (L),  
15 3394(B)(1)(b) and (c) and (B)(2), 3395(A)(1), (2), (4), (C), and (D), 3396(A), 3397,  
16 3398(A), 3405, 3408(A), (B), the introductory paragraph of 3408(D), and 3408(F), the  
17 introductory paragraph of 3409(A), 3409(A)(6), (B)(2) and (3), (C)(2), (D), the introductory

1 paragraph of 3409(E), and 3409(F), 3410, and 3411, are hereby amended and reenacted and  
 2 R.S. 37:3392 (15) through (27) and 3399 are hereby enacted to read as follows:

3 §3392. Definitions

4 As used in this Chapter, the following words have the meaning ascribed to  
 5 them in this Section ~~unless the context clearly indicates otherwise:~~

6 \* \* \*

7 (8) "~~General certified real estate~~ **Certified general** appraiser" means a **any**  
 8 person ~~who holds a current, valid license issued to him~~ **licensed** by the board for  
 9 appraisal ~~of~~ **to appraise** all types of real estate regardless of complexity or  
 10 transaction value.

11 \* \* \*

12 (12) "~~Real estate appraiser trainee~~" **"Trainee appraiser"** means any person  
 13 ~~who has been issued a license~~ **registered** by the board **and authorized** to appraise  
 14 properties under the supervision of a licensed general real estate appraiser or  
 15 residential real estate appraiser.

16 (13) "Real property" ~~or "real estate" means one or more defined interests~~  
 17 ~~in a parcel of real estate, whether an unencumbered fee or a lesser estate~~ **immovable**  
 18 **property, as defined by Civil Code Article 462 et seq.**

19 (14)(a) "~~Residential certified real estate~~ **Certified residential** appraiser"  
 20 means any person ~~who holds a current, valid license issued~~ **licensed** by the board to  
 21 appraise **the following:** ~~one to four residential units, without regard to transaction~~  
 22 ~~value or complexity, and perform appraisals of other types of real estate having a~~  
 23 ~~transaction value of two hundred fifty thousand dollars or less. This includes the~~  
 24 ~~appraisal of vacant or unimproved land that is utilized for one to four family~~  
 25 ~~residential units.~~

26 **(i) One to four residential units without regard to value or complexity.**

27 **(ii) All other real or immovable property, which is the subject of an**  
 28 **appraisal involving or having a market value of five hundred thousand dollars**  
 29 **or less.**

1            (iii) The authority of a "certified residential appraiser" includes but is  
2            not limited to the authority to appraise vacant or unimproved land utilized for  
3            the purposes of one to four family residential units or for which the highest and  
4            best use is for one to four family residential units; however, such authority shall  
5            not include the authority to appraise any subdivision for which a development  
6            analysis or development appraisal is necessary.

7            (15) "Licensed residential appraiser" means any person licensed by the  
8            board whose authority to appraise real property is limited to the appraisal of  
9            noncomplex one to four residential units having a transaction value of less than  
10           one million dollars and of complex one to four residential units having a  
11           transaction value of less than four hundred thousand dollars in accordance with  
12           the Real Property Appraiser Qualification Criteria. For the purposes of this  
13           Paragraph, "transaction value" means market value for nonfederally related  
14           transaction appraisals.

15           (16) "AQB" means the Appraiser Qualifications Board of TAF created  
16           in accordance with Title XI of FIRREA. The AQB develops, interprets, and  
17           amends the Real Property Appraiser Qualification Criteria.

18           (17) "ASB" means the Appraisal Standards Board of TAF created in  
19           accordance with Title XI of FIRREA. The ASB develops, promulgates,  
20           interprets, and amends USPAP.

21           (18) "ASC" means the Appraisal Subcommittee created in accordance  
22           with Title XI of FIRREA and organized and subject to the Federal Financial  
23           Institutions Examination Council, or its successor, according to the Financial  
24           Institutions Regulatory and Interest Rate Control Act of 1978.

25           (19) "FIRREA" means the Financial Institution Reform, Recovery and  
26           Enforcement Act of 1989, as enacted under federal law, specifically includes but  
27           is not limited to Title XI, requiring real estate appraisals used in connection  
28           with federally related transactions to comply with uniform standards and to be  
29           prepared by credentialed real property appraisers.

1           (20) "Market value" means a value stated as an opinion, which presumes  
2           the transfer of real property as of a certain date and subject to specific  
3           conditions set forth in the value definition identified by an appraiser as  
4           applicable to an appraisal.

5           (21) "PAREA" means or refers to any Practical Applications of Real  
6           Estate Appraisal training program created or implemented in accordance with  
7           the Real Property Appraiser Qualification Criteria developed and approved by  
8           the AQB, to provide an alternate pathway for applicants to obtain licensure as  
9           a licensed residential appraiser or as a certified residential appraiser without  
10           training as a trainee appraiser, subject to the direct control and supervision of  
11           a supervisory appraiser.

12           (22) "Real Property Appraiser Qualification Criteria" means the  
13           qualifying criteria, regarding the minimum education, experience, and  
14           examination requirements for real estate appraisers, as established by the AQB.

15           (23) "Supervisory appraiser" means a certified residential appraiser or  
16           certified general appraiser registered by the board to supervise one or more  
17           trainee appraisers and who satisfies the applicable minimum qualifications  
18           required by the the Real Property Appraiser Qualification Criteria, including  
19           but not limited to the following:

20           (a) The supervisory appraiser shall have been licensed and in good  
21           standing with any competent appraisal licensing jurisdiction for at least three  
22           years.

23           (b) The supervisory appraiser shall not have been subject to any  
24           disciplinary action within any jurisdiction, that affected the appraiser's legal  
25           eligibility to engage in the appraisal practice, within the last three years.

26           (c) The supervisory appraiser shall not be registered at any one time to  
27           supervise more than three trainee appraisers.

28           (d) Prior to his supervision of any trainee appraiser, the supervisory  
29           appraiser shall register on a form and in a manner prescribed by the board for

1 each trainee appraiser supervised.

2 (24) "TAF" means The Appraisal Foundation created in accordance  
 3 with Title XI of FIRREA.

4 (25) "Transaction value" means the following in accordance with Title  
 5 XI of FIRREA:

6 (a) For loans or other extensions of credit, the amount of the loan or  
 7 extension of credit.

8 (b) For sales, leases, purchases, and investments in or exchanges of real  
 9 property, the market value of the real property interest involved.

10 (c) For the pooling of loans or interests in real property for resale or  
 11 purchase, the amount of the loan or market value of the real property  
 12 calculated with respect to each such loan or interest in real property.

13 (26) "USPAP" means the Uniform Standards of Professional Appraisal  
 14 Practice, which establishes the minimum requirements applicable to appraisers  
 15 for the purpose of promoting and maintaining public trust in the appraisal  
 16 practice, as implemented and periodically amended by the ASB.

17 (27) "Complex one to four unit residential property appraisal" means  
 18 an appraisal in which the property to be appraised, the form of ownership, or  
 19 the market conditions are atypical.

20 §3393. License required; penalty for unlicensed real estate appraiser activity

21 A. No person, other than a ~~state-licensed~~ real estate appraiser registered or  
 22 licensed by the board, shall assume or use that title or any title, designation, or  
 23 abbreviation that may create the impression of being registered or licensed as a real  
 24 estate appraiser ~~by~~ in this state.

25 B. No registered or licensed real estate appraiser shall assume or use any  
 26 title, designation, or abbreviation that may create the impression of being registered  
 27 or licensed in a class other than ~~that for which his~~ actual registration or license has  
 28 ~~been issued.~~

29 C. It shall be unlawful for any individual, for a fee or other valuable

1 consideration, or with the intention or expectation of receiving or collecting a fee or  
2 valuable consideration from another, to do any of the following unless the individual  
3 is **registered or** licensed ~~under in accordance with the provisions of~~ this Chapter:

4 (1) Be employed to perform or perform an appraisal ~~as defined in this~~  
5 ~~Chapter~~ where the subject property of the assignment lies within the borders of the  
6 state of Louisiana.

7 (2) Present himself, or allow himself to be presented, as being able to perform  
8 an appraisal for which a **registration or** license is required ~~under in accordance~~  
9 **with the provisions of** this Chapter.

10 D. All real estate appraiser **registrations or** licenses ~~issued under the~~  
11 ~~provisions of this Chapter~~ shall be issued in the individual name of the applicant and  
12 shall not be issued to a partnership, association, corporation, firm, or group. Nothing  
13 shall preclude a ~~licensed real property~~ **registered or licensed** appraiser from  
14 performing appraisals for or on behalf of a partnership, association, corporation,  
15 firm, or group.

16 E. Nothing in this Chapter shall preclude a licensed real estate broker or  
17 salesperson from performing a broker price opinion/comparative market analysis in  
18 the ordinary course of the practice of real estate, provided that the broker or  
19 salesperson does not **unlawfully** represent himself as ~~being a state licensed real~~  
20 ~~estate~~ **a registered or licensed** appraiser.

21 \* \* \*

22 G. It shall be unlawful for any individual, person, partnership, association,  
23 or corporation to perform any type of review or analysis of a real property appraisal,  
24 unless that person is **registered or** licensed to perform real property appraisals.

25 \* \* \*

26 I. In addition to any other civil remedy or civil penalty provided in this  
27 Chapter, the board may issue a subpoena to any person based on the probable cause  
28 that he has engaged in real estate appraiser activity without a **registration or** license.  
29 Subpoenas issued by the board shall:

\* \* \*

J. In accordance with the provisions of this Chapter and the Administrative Procedure Act, the board may impose a civil penalty not to exceed five thousand dollars and costs and attorney fees upon any person who is found to have engaged in real estate ~~appraiser~~ **appraisal** activity without a **registration or** license **issued by the board**.

~~K. An unlicensed person who engages in or offers to engage in, or performs or offers to perform, any of the practices, acts, or operations set forth in R.S. 37:3392 and this Section shall be sufficient evidence to raise a presumption of fact or to establish the fact that he has illegally engaged in or performed real estate appraiser activity.~~

~~L.~~**K.** A person engaged in real estate ~~appraiser~~ **appraisal** activity without a **registration or** license **issued by the board** shall not have the right to receive any compensation for services so rendered **in this state**. In addition to any other penalties ~~imposed under~~ **authorized by** this Chapter, the board may require any person engaged in real estate ~~appraiser~~ **appraisal** activity without a **registration or** license to return any fees collected for such activity.

§3394. Louisiana Real Estate Appraisers Board

\* \* \*

B.(1) \* \* \*

(a) \* \* \*

(b) One member shall have been engaged in the business of appraisal management for at least four years and shall be an employee or representative of a Louisiana licensed appraisal management company. Additionally, this member shall be a citizen and qualified elector of Louisiana and licensed ~~as a~~ **in** Louisiana ~~certified real estate~~ **as either a certified residential appraiser or certified general** appraiser immediately preceding the appointment to the board.

(c) ~~The remainder~~ **Each of the remaining members** shall have been domiciled in Louisiana and licensed as ~~certified real estate appraisers~~ **either a**

1 **certified residential appraiser or certified general appraiser** for not less than five  
2 **consecutive** years immediately preceding the appointment.

3 (2) At least four of the ten members shall be **certified** general appraisers and  
4 at least two of the ten members shall be **certified** residential appraisers. ~~All appraiser~~  
5 ~~members shall be state certified.~~

6 \* \* \*

7 §3395. Powers, duties

8 A. The board shall have the following autonomous powers and duties:

9 (1) To regulate the issuance of real estate appraiser ~~and trainee~~ **registrations**  
10 **and** licenses.

11 (2) To establish administrative procedures for processing applications and  
12 issuing **registrations and** licenses to real estate appraisers and trainees.

13 \* \* \*

14 (4) To require any satisfactory proof it may desire in reference to the honesty,  
15 truthfulness, reputation, knowledge, and experience of any applicant for a real estate  
16 appraiser **registration or** license prior to ~~the issuance of any license.~~

17 \* \* \*

18 C. The board shall have authority to require any real estate appraiser  
19 **registrant or** licensee to maintain records, as specified in this Chapter, and to  
20 inspect and subpoena such records.

21 D. The board shall have the authority to subpoena any real estate appraiser  
22 **registrant,** licensee, or witness for the purpose of holding any hearing or in  
23 furtherance of an investigation. Failure of a licensee to comply with a subpoena  
24 duces tecum shall be punishable by the board in accordance with the provisions of  
25 R.S. 37:3409.

26 §3396. Applications

27 A. Applications for examination, experience review, **registration, licensure,**  
28 and renewal ~~certification~~ shall be made in writing to the board on forms provided **on**  
29 **a form prescribed and in a manner required** by the board.



\* \* \*

§3397. License **and registration** classifications; criteria

A.(1) There ~~shall be~~ **are** three classes of licenses for real estate appraisers:

**(a) Licensed residential appraiser.**

**(b) Certified residential appraiser.**

**(c) Certified general appraiser.**

**(2) Such The license** classes **enumerated in Paragraph (1) of this Subsection** shall conform in all respects with the Financial Institutions Reform, Recovery and Enforcement Act of 1989, P.L. 101-73, and any subsequent amendments and regulations issued pursuant thereto.

~~(2) The application for examination, experience review, and renewal certification shall specify the license classification for which the applicant is applying.~~

**B. There are two classes of registrations for real estate appraisers:**

~~(1)(a) **Trainee appraiser.** Applicants for a real estate appraiser trainee license shall be subject to training and direct supervision by a certified appraiser who meets all of the following qualifications:~~

~~(i) Has been licensed as a certified real estate appraiser in Louisiana for at least three years prior to becoming a supervising appraiser.~~

~~(ii) Is in good standing as a certified residential or certified general real estate appraiser in Louisiana.~~

~~(b) Both the trainee applicant and the supervising appraiser shall complete a course that complies, at minimum, with the specifications for course content established by the Appraiser Qualifications Board (AQB) of the Appraisal Foundation. The course shall be oriented toward the requirements and responsibilities of supervising appraisers and expectations for trainee appraisers. The course shall be completed by the trainee appraiser prior to obtaining a trainee appraiser license and by the supervising appraiser prior to supervising a trainee appraiser. The supervising appraiser shall not have been subject to any disciplinary~~

1 action in any jurisdiction within the last three years that affects the supervisor's legal  
 2 eligibility to engage in appraiser practice. The appraiser trainee is permitted to have  
 3 more than one supervising appraiser. The scope of work for the appraiser trainee is  
 4 limited to the appraisal of those properties that the supervising appraiser is licensed  
 5 to appraise.

6 (2) Supervisory appraiser. ~~There are no additional examination or~~  
 7 ~~experience requirements other than those listed in this Subsection for the real estate~~  
 8 ~~appraiser trainee license.~~

9 ~~(3) C.(1) An~~ **A supervisory appraiser and a trainee appraiser shall each**  
 10 **maintain an** appraisal experience log ~~shall be maintained jointly by the supervising~~  
 11 ~~appraiser and the trainee appraiser. It is the responsibility of both the supervisory~~  
 12 ~~appraiser and the trainee appraiser~~ **and shall be independently obligated** to ensure  
 13 the appraisal experience log is accurate, current, and complies with the requirements  
 14 of the trainee appraiser's credentialing jurisdiction **the provisions of this Chapter.**

15 At a minimum, the appraisal log shall include the following:

- 16 (a) Type of property.
- 17 (b) Date of report.
- 18 (c) Address of appraised property.
- 19 (d) Description of work performed by the trainee appraiser and scope of the  
 20 review and supervision of the supervisory appraiser.
- 21 (e) Number of actual work hours by the trainee appraiser on the assignment.
- 22 (f) The signature and state certification number of the supervisory appraiser.

23 Separate appraisal logs shall be maintained for each supervisory appraiser if  
 24 applicable.

25 **(2) Prior to applying for registration with the board, a trainee appraiser**  
 26 **or supervisory appraiser shall meet the minimum qualifications required under**  
 27 **this Chapter and the Real Property Appraiser Qualification Criteria, including**  
 28 **but not limited to satisfactory completion or submission of the following:**

- 29 **(a) A course that complies, at a minimum, with the specifications of**

1 course content established by the AQB, including submission of an official  
 2 course completion certificate to the board. The course shall be oriented toward  
 3 the requirements and responsibilities of supervisory and trainee appraisers.

4 (b) The registration form that is prescribed by the board.

5 ~~(4) As a prerequisite to license renewal, all appraiser trainees shall be~~  
 6 ~~required to obtain the equivalent of fourteen hours of continuing education per~~  
 7 ~~calendar year.~~

8 ~~(5)~~**(3)** The appraiser trainee **appraiser** shall be entitled to obtain copies of  
 9 appraisal reports **that he prepared in full or in part** by the trainee. The supervising  
 10 **supervisory** appraiser shall keep copies of the trainee appraisal reports **prepared by**  
 11 **the trainee appraiser** for a period of at least five years ~~or at least two years after~~  
 12 ~~final disposition of any judicial proceeding in which testimony is given, whichever~~  
 13 ~~period expires last.~~

14 \* \* \*

15 §3398. Examination

16 A. A license as a real estate appraiser shall not be issued in any class, ~~other~~  
 17 ~~than real estate appraiser trainee~~ unless the applicant has passed a qualifying  
 18 examination approved by the Appraiser Qualifications Board (AQB) of the Appraisal  
 19 Foundation for such license.

20 \* \* \*

21 **§3399. Practical Applications of Real Estate Appraisal (PAREA); legislative**  
 22 **intent; licensure**

23 **A.(1) The legislature hereby recognizes the present shortage and**  
 24 **declining number of registered and licensed appraisers in Louisiana and hereby**  
 25 **declares its intent to reduce any unnecessary barriers to licensure as a real**  
 26 **property appraiser, including but not limited to the practical barriers caused**  
 27 **by the related shortage of supervisory appraisers in the state.**

28 **(2) Further, the legislature recognizes that the AQB has created and**  
 29 **authorized implementation of Practical Applications of Real Estate Appraisal**

1 (PAREA) training programs, which shall utilize simulated experience training  
 2 to provide an alternative path to licensure as a real property appraiser without  
 3 the necessity of obtaining experience or supervision directly from a supervisory  
 4 appraiser.

5 B.(1) Accordingly, nothing in this Chapter shall be construed to prohibit  
 6 an applicant from submitting an official PAREA program completion  
 7 certificate to evidence satisfactory completion of all experience necessary for  
 8 licensure as either a licensed residential appraiser or as a certified residential  
 9 appraiser in accordance with the qualifications required by the Real Property  
 10 Appraiser Qualification Criteria.

11 (2) An applicant, who has fully completed an authorized PAREA  
 12 program, shall apply for licensure either as a licensed residential appraiser or  
 13 as a certified residential appraiser on a form prescribed by the board and  
 14 obtain board approval of the application prior to conducting appraisal activity  
 15 in this state.

16 \* \* \*

17 §3405. Principal place of business for appraiser; contact information

18 A. Each registered or licensed real estate appraiser shall ~~advise~~ notify the  
 19 board of any change in the information required for registration, licensure, or  
 20 renewal, including but not limited to the following:

21 (1) the ~~The~~ address of his or her principal place of business and all other  
 22 addresses at which he is currently engaged in the business of preparing real property  
 23 appraisal reports.

24 (2) The address of his domicile.

25 (3) Primary telephone number.

26 (4) Primary electronic mail address.

27 B. Each registered or licensed appraiser required by Subsection A of this  
 28 Section shall report any changes in the address or telephone number of his business  
 29 ~~or residence~~ to notify the board shall provide such notice, in writing within ten days

1 of the change.

2 \* \* \*

3 §3408. Continuing education requirements

4 A. As a prerequisite to renewal of a real estate appraiser **registration or**  
5 license, all **registrants and** licensees shall present evidence satisfactory to the board  
6 of having met the continuing education requirements set forth in this Chapter.

7 B.~~(1)~~ ~~The basic continuing education requirements for Prior to renewal of~~  
8 a **registration or a** license, **regardless of classification, the renewal applicant**  
9 **shall obtain** ~~shall be the completion of~~ not less than twenty-eight hours **of**  
10 **continuing education credit**, or its equivalent, in courses ~~that have received the~~  
11 approval of **approved by** the board. ~~As part of this requirement, the applicant shall~~  
12 complete a minimum of seven classroom hours of instruction covering the Uniform  
13 Standards of Professional Appraisal Practice every renewal period.

14 **(2) All appraisers regardless of registration or license class shall obtain**  
15 **a minimum of seven continuing education credit hours regarding the Uniform**  
16 **Standards of Professional Appraisal Practice (USPAP) each renewal period,**  
17 **which shall be credited towards the total continuing education required by**  
18 **Paragraph (1) of this Subsection.**

19 \* \* \*

20 D. The board shall adopt regulations for implementation of the provisions of  
21 this Section to provide **registrants and** licensees with current knowledge of real  
22 property appraisal theories, practices, and techniques. Such regulations shall  
23 prescribe the following:

24 \* \* \*

25 F. No amendment or repeal of a regulation adopted by the board pursuant to  
26 this Section shall operate to deprive a **registered or** licensed real estate appraiser of  
27 credit ~~toward renewal of certification~~ for any course of instruction completed by the  
28 applicant prior to the amendment or repeal of the regulation, if the course would  
29 have qualified for continuing education credit under the regulation as it existed prior

1 to the repeal or amendment.

2 §3409. Disciplinary proceedings

3 A. The board may censure a **registered or** licensed real estate appraiser,  
4 conditionally or unconditionally suspend or revoke any **registration or** license  
5 issued ~~under~~ **in accordance with the provisions of** this Chapter, levy fines or  
6 impose civil penalties not to exceed five thousand dollars, or impose continuing  
7 education requirements on **registrants and** licensees if, in the opinion of the board,  
8 a **registrant or** licensee is performing, is attempting to perform, has performed, or  
9 has attempted to perform any of the following acts:

10 \* \* \*

11 (6) Procuring a **registration or** license for himself or anyone else by fraud,  
12 misrepresentation, or deceit.

13 \* \* \*

14 B.(1) \* \* \*

15 (2) Before censuring any **registrant or** licensee, or suspending or revoking  
16 any license, the board shall notify the **registrant or** licensee in writing of any  
17 charges made at least twenty days prior to the date set for the hearing and shall afford  
18 him an opportunity to be heard in person or by counsel.

19 (3) The written notice shall be satisfied by personal service on the  
20 respondent, or by sending the notice by certified mail to the **registrant's or**  
21 licensee's address on file with the board, or by hand delivery from board personnel.

22 \* \* \*

23 C.(1) \* \* \*

24 (2) The board may make findings of fact and shall deliver or mail such  
25 findings to the **registrant or** licensee charged with an offense under this Chapter.  
26 Any finding of fact by the board pursuant to this Subsection shall be conclusive.

27 \* \* \*

28 D. The board may also suspend or revoke the **registration or** license of a real  
29 estate appraiser based upon a final civil judgment against the appraiser on grounds

1 of fraud, misrepresentation, or deceit in the making of an appraisal of real property.  
 2 In a disciplinary proceeding based upon such judgment, the **registered or** licensed  
 3 real estate appraiser shall be afforded notice and the opportunity to present matters  
 4 in mitigation and extenuation but shall not collaterally attack the civil judgment.

5 E. It shall be the duty of each **registered or** licensed real estate appraiser to  
 6 notify the board within ten days by registered or certified mail or by hand delivery  
 7 of the following actions:

8 \* \* \*

9 F. A **registered or** licensed real estate appraiser shall not participate in the  
 10 preparation of federally related real estate appraisals during any period in which his  
 11 **registration or** license has been suspended by the board pursuant to adjudicatory  
 12 proceedings.

13 §3410. Standards for the development and communication of real estate appraisals

14 A.(1) A **registered or** licensed real estate appraiser shall comply with  
 15 generally accepted standards of professional practice in the development and  
 16 communication of appraisals of real estate located in this state and with generally  
 17 accepted ethical rules of conduct as contained in the "Uniform Standards of  
 18 Professional Appraisal Practice" (**USPAP**), or its successor, as approved **and**  
 19 **periodically amended** by the Appraisal Standards Board of the Appraisal  
 20 Foundation or its successor.

21 (2) Nothing in this Chapter shall prohibit a **registered or** licensed real estate  
 22 appraiser from performing an evaluation of real property for a federally insured  
 23 depository institution if the evaluation is permitted by either federal law, regulation,  
 24 or the guidelines for evaluations established by the federal financial institutions  
 25 regulatory agency of the depository institution, or a mortgage servicer approved to  
 26 service any federally related mortgage loans.

27 B. The **registered or** licensed real estate appraiser shall include within the  
 28 body of the appraisal report the amount of the appraiser's fee for appraisal services.

29 §3411. ~~Documents to be retained~~ **Recordkeeping requirements**

1           A **registered or** licensed real estate appraiser shall retain for five years  
 2 originals or true copies of contracts engaging the appraiser's services for real  
 3 property appraisal work, appraisal reports, and supporting data assembled and  
 4 formulated by the appraiser in preparing reports. The period for retention of the  
 5 records applicable to each engagement of the services of the appraiser shall run from  
 6 the date of the submission of the appraisal report to the client. These records shall  
 7 be made available by the appraiser for inspection and copying by the board on  
 8 reasonable notice to the appraiser. When litigation is contemplated at any time,  
 9 reports and records shall be retained for two years from final disposition.

10           Section 2. R.S. 37:3392(11) and 3397.1 are repealed in their entirety.

11           Section 3. This Act shall become effective upon signature by the governor or, if not  
 12 signed by the governor, upon expiration of the time for bills to become law without signature  
 13 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If  
 14 vetoed by the governor and subsequently approved by the legislature, this Act shall become  
 15 effective on the day following such approval.

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The original instrument was prepared by Xavier Alexander. The following  
 digest, which does not constitute a part of the legislative instrument, was  
 prepared by Ann S. Brown.

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#### DIGEST

SB 367 Reengrossed

2022 Regular Session

Henry

Proposed law creates a Licensed Residential Appraiser (LRA) license classification and formalizes adoption of Practical Application of Real Estate Appraisal (PAREA) program criteria for Louisiana.

Present law provides for a real estate appraiser trainee to be licensed.

Proposed law provides for a trainee appraiser to be registered instead of licensed and specifically allows a trainee to have more than one supervisory appraiser. Proposed law provides for qualifications and training.

Proposed law defines a "licensed residential appraiser" as any person licensed by the board whose authority to appraise real property is limited to the appraisal of noncomplex one to four complex residential units having a transaction value of less than \$1M and one to four residential units having a transaction value of less than \$400K, according to the Real Property Appraiser Qualification Criteria.

Proposed law provides that nothing in present law and proposed law shall be construed to prohibit an applicant from submitting an official PAREA program completion certificate to evidence satisfactory completion of all education and experience necessary for licensure as either a licensed residential appraiser or as a certified residential appraiser, according to the



qualifications required by the Real Property Appraiser Qualification Criteria. Present law provides that an applicant, who has fully completed an authorized PAREA program, can apply for licensure either as a licensed residential appraiser or as a certified residential appraiser on a form prescribed by the board and obtain board approval of the application prior to conducting appraisal activity in this state.

Present law provides standards for licensure and penalties for persons engaged in real estate appraisal activity without a license. Provides for the Louisiana Real Estate Appraisers Board's authority over licensees, receipt of applications and renewals for licensing, examination, continuing education requirements, disciplinary proceedings, standards for communication, and recordkeeping.

Proposed law retains present law, but makes it also applicable to registrations.

Present law provides that as a prerequisite to license renewal, all certified residential and certified general appraisers shall complete the equivalent of 14 hours of continuing education instruction per calendar year.

Proposed law repeals present law.

Effective upon signature of the governor or lapse of time for gubernatorial action.

(Amends R.S. 37:3392(intro para), (8), (12) - (14), 3393(A) - (E), (G), (I)(intro para), (J) - (L), 3394(B)(1)(b) and (c) and (B)(2), 3395(A)(1), (2) and (4), (C) and (D), 3396(A), 3397, 3398(A), 3405, 3408(A), (B), (D)(intro para) and (F), 3409(A)(intro para), (A)(6), (B)(2) and (3), (C)(2), (D), (E)(intro para), and (F), 3410 and 3411; adds R.S. 37:3392(15) - (27) and 3399; repeals R.S. 37:3392(11) and 3397.1))

#### Summary of Amendments Adopted by Senate

##### Committee Amendments Proposed by Senate Committee on Commerce, Consumer Protection, and International Affairs to the original bill

1. Makes technical changes.
2. Authorizes a "certified residential appraiser" to appraise vacant or unimproved land that is utilized for one to four family residential unit purposes but not for subdivisions for which a development appraisal is necessary.
3. Defines "transactional value" and "complex one to four unit residential property appraisal".
4. Provides that a trainee appraiser shall be entitled to obtain copies of appraisal reports he prepared in full or in part.
5. Provides that a supervisory appraiser shall keep copies of trainee appraisal reports for at least five years.

##### Senate Floor Amendments to engrossed bill

1. Makes technical corrections.
2. Removes the provision stating that if any person who is not registered or licensed as an appraiser offers or engages in such activities, will established sufficient evidence to raise a presumption of fact that he has engaged in illegal activity.